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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

January 9, 1926.

F.S.
D-4

FOREIGN NEWS ON DAIRYING

RUSSIAN BUTTER REGAINING IMPORTANT PLACE IN WORLD MARKETS

The supply of butter contributed to world markets by Russian dairy regions has again reached considerable proportions, and prospects appear to favor a further rapid recovery of the industry in the Soviet Republics, especially Siberia.

Exports of butter from the Union of Socialist Soviet Republics during the past season amounted to fully 50,000,000 pounds, as accounted for by the combined imports from that source into Great Britain and Germany alone, by the end of November. It was not expected that the shipments would be added to very considerably after that time. The estimate, therefore, of a total exportation of 55,000,000 pounds from present Russian territory for the 1925 season, as reported recently by Mr. C. A. Koefoed, Danish Agricultural Agent in Russia, appears consistent with such official trade figures as are now available.

Of the territory now included in the U.S.S.R., Siberia, as in prewar years, still supplies most of the export butter. Some indication of the dairy resources of Siberia, and the trend of their explortation are indicated by the following statement of the quantity of butter transported by the Siberian railway across the Urals to western Russia. The relative importance of the Siberian supplies in the last 25 years is also evident from the comparison of the Siberian surplus with the total exports of butter from Russia, in those years for which official statistics are available.

BUTTER: Siberian shipments to or through Russia in Europe, and total exports of butter from Russia and U.S.S.R.

Year	Shipments from Siberia to Russia.	Exports from Russia	Exports from U.S.S.R.
	1000 pounds	1000 pounds	1000 pounds
1894	15	11,412	
1900	38,580	42,974	
1910	143,938	134,572	
1913		172,003	
1914	120,739	118,997	
1915		119,359	
1917	129,373		
1918	65,146		
1919	36,744		
1920	26,528		
1921	16,329		
1922	14,513		Nil
1923	24,619		10,978
1924	76,323		44,462
1925	77,161 a/		55,115 a/

Siberian shipments as published in Smor Tidende, November 6, 1925, quoting Mr. C. A. Koefoed, Danish Agricultural Agent in Russia. Russian exports since 1913 from International Institute of Agriculture, Rome: Original Official sources from earlier years.
a/ Estimated by Soviet authorities.

It is, of course, impossible to give figures showing accurately the trend of exports of butter from former Russian territory. Comparisons for identical territory are not now possible, since the area within the boundaries of the former Russian Empire now gives rise to exports involving possible duplication, as those of the Baltic states, or are included with other territory, as in Poland. The combined exports for the season by the end of August 8 from the Baltic states, Esthonia, Lithuania, and Latvia totalled 29,144,000 pounds according to trade figures published by the International Institute of Agriculture.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
D-5

March 12, 1926

FOREIGN NEWS ON DAIRYING

IMPORTS OF RUSSIAN BUTTER AND POULTRY UNLIKELY

Exports of butter from Russia during the coming season beginning in June on contracts already made may amount to 90,000,000 pounds or about one half of the volume exported during the years immediately preceding the war, according to a recent report to the Department of Agriculture from W. A. Schoenfeld, American Agricultural Commissioner at Berlin. Contrary to widely published rumors, however, little or none of the butter now under contract is destined for the United States.

In addition to making it clear that for the present large exports of dairy and poultry products from Russia to the United States were out of the question, Mr. Schoenfeld quotes C. J. Mayer, American Commercial Attache at Riga, Latvia, as to the disposition of the products now under contract. Existing contracts are said to cover practically all of the expected export butter output. Exports from present Russian territory in 1925 have been estimated at 55 million pounds:

"English firms have already contracted for 550,000 - 600,000 casks (62,000,000 - 68,000,000 pounds) of butter through the Russian agencies, "Maslocenter" and "Gostorg". Several contracting firms have advanced about 5 cents per pound on the contract price at the time of ordering. These firms also agreed to pay from 70 to 75 per cent of the contract price when the butter is on board cars and the bills of lading presented to the buyers' representatives in Moscow. Total advances therefore reach 90 per cent of the London market value of the butter at the time of the second advance. German firms have also contracted with "Maslocenter" for 100,000 casks (11,000,000 pounds). The estimated remaining 150,000 - 200,000 casks (17,000,000 - 20,000,000 pounds) is kept free by the Russians for trading some time later in the season. The export of butter, of course, occurs only in June, July, August and September. There is no butter to speak of left in Russia or Siberia at this time of year, and what little remains is being used by the country itself. Prewar exports of butter amounted to about 1,600,000 casks or 179,000,000 pounds, so if Russia is able to export this year 800,000 casks, or 90,000,000 pounds, this will be up to 50 per cent of prewar times.

The egg season starts in March, some times between the 15th and 30th, and lasts to the end of May. These are the so-called spring or grass eggs which are not very good for export purposes. The second season starts the beginning of July and end by September. These eggs are called "grain" eggs and are specially fit for export. Prewar exports of eggs amounted to 22,000 carloads, a carload containing 100 cases and each case containing 1,440 eggs. In 1925 (as near as can be ascertained today), exports only amounted to about 30 per cent of the prewar capacity. All of these eggs go principally to Germany, Denmark and London.

"As far as poultry is concerned, there are about 450 tons of poultry in storage here now of which 150 tons are the property of a London firm, whereas 300 tons have not yet been sold. There are no figures available as to poultry exports during the past season but in 1924 between 4,000 and 5,000 tons were exported."

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
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F.S.
D-6

November 23, 1926.

FOREIGN NEWS ON DAIRYING

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RUSSIAN BUTTER EXPORTS CHECKED BY UNPROFITABLE MARKETS

Exports of butter from the Union of Socialist Soviet Republics will apparently be little if any greater this year than last. Conditions affecting the profitableness of exportation have been such as to make recovery toward the pre-war Russian surplus very slow. The trend of the exports since 1923, when they first regained any importance in world markets, is indicated below:

Exports of butter from Russia and the U. S. S. R.
(According to official and semi-official information)

	Average 1909-13	1923	1924	1925	Jan.-Sept. 1925	Jan.-Sept. 1926
	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.
Russia	150,294	------	------	------	------	------
U.S.S.R.	-------	10,978	49,456	55,476	43,695 a/	41,792 a/

a/Representing combined imports from U.S.S.R. into United Kingdom and Germany.

Among the many reports, very often contradictory, in regard to the advancement of the Russian export of butter, some definite information is afforded by the following summary translation from Smor Tidende (Danish Butter Journal) of October 22, 1926, quoting from an article appearing originally in the German trade paper, Butter und Fettwarenverkehr. The statement emphasized that the export of Russian butter was being carried on at a loss and that the prospects were anything but bright. The gradual decline of butter exports was attributed to relatively low export prices and to the fact that the quality of the butter was deteriorating rather than improving.

On the basis of reports from the central office of butter exporters, conditions were stated to be such that the office then estimated a loss equivalent to 5 cents per pound on all butter exported. The price paid in the domestic markets for export butter was equivalent to 25 cents per pound, and the general costs amounted to 8 cents, making a total cost of 33 cents per pound. At the same time the selling price in foreign markets was stated to be the equivalent of 28½ cents per pound, which checks closely with London quotations on Siberian butter at the present time as cabled by the American Agricultural Commissioner in London.

In order to reduce the costs it was being proposed that the number of purchasing centers be lessened, that production be increased, and that the quality be improved. It was pointed out that if the quality could be brought to the same level as that of Danish butter, foreign prices would be sufficiently higher to effect a balance. This, however, was not considered probable for some time to come, although it is true that the former Russian territory now comprised in the new Baltic states, Latvia, Lithuania and Esthonia, now furnishes a steadily increasing quantity of high grade and comparatively high priced butter. In fact, in each of the last several years these states have practically doubled their butter exports, and quotations on the London market indicate that the butter which reaches the foreign markets from these new surplus areas is rapidly approaching the best in market value.

As to the Soviet Republic, however, recent market conditions have apparently done much to lessen the surplus for foreign markets. This is further confirmed by a statement appearing in the October 27 issue of Economic Life, an official publication of the Soviet Government. A summary translation of this statement follows:

"In the butter market there was a decrease in procurements during September. The total procurement was 10,211,000 pounds as against 15,841,000 pounds in August, a decrease of 35.5 per cent. Last season the corresponding reduction in procurements was 30.7 per cent. The total quantity procured during the campaign this season was 100,843,000 pounds, which exceeds last season's procurements of 93,873,000 pounds by 7.4 per cent. Prices paid to producers in Siberia in September, 1926, were equivalent to 24 cents per pound against 25 cents in September, 1925, and in the region of the Ural, 26 cents against 30 cents in September of last year. The lessened profitableness to the peasantry under these conditions as compared with last year has led the peasants in some regions to feel discouraged and to buy small separators with which they obtain their own butterfat which they sell more profitably to private dealers."

From various sources of information it thus appears that the prices recently received in the principal world markets for Russian butter are so low as to discourage exportation if not production and to encourage home consumption instead.

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